

STATEMENT OF CONSIDERATIONS

**REQUEST BY TEXAS INSTRUMENTS FOR AN ADVANCE WAIVER
OF U.S. AND FOREIGN RIGHTS UNDER SUBCONTRACT NO. ZAI-4-11294-04
UNDER DOE PRIME CONTRACT NO. DE-AC02-83CH10093
WAIVER NO. W(A)-93-038, CH-0794.**

The attached petition by Texas Instruments (hereafter TI) is for an advance waiver of patent rights under Subcontract No. ZAI-4-11294-04, under DOE Contract No. DE-AC02-83CH10093. TI requests that the Department of Energy grant an advance waiver for the domestic and foreign rights to inventions made in the performance of work under the above identified subcontract and that these rights vest in TI subject to the standard Advance Waiver Patent Rights Clause with the enclosed U.S. Competitiveness paragraph as previously agreed to. Additionally, TI accepted the standard background patent and data provisions for licensing of third parties and has agreed that the advance waiver of the Government's rights in inventions developed under the cited subcontract will be subject to the usual march-in rights, U.S. manufacturing preference, and U.S. Government license comparable to those set out in 35 U.S.C. 202-204.

DOE, through the Photovoltaic Material (PVMat) Project is encouraging cooperative activities with industry and providing tangible assistance for identifying and overcoming major technical obstacles to improving photovoltaic manufacturing technologies.

The scope of work under the above subcontract involves: advancing TI's photovoltaic solar cell manufacturing technologies, reducing the production costs of TI's photovoltaic Spheral Solar modules, improving the performance of such modules, and expanding the production capacity for such modules.

The proposed subcontract would cover a three (3) year performance period, at an estimated cost of \$13,803,354, with TI cost sharing at a rate of 63.8% (\$8,803,354) of the estimated total cost.


TI, in Answer 15, indicated that they will participate in the referenced subcontract only if the subject waiver is granted. They base this position on their alleged contribution and stature within the field of Spheral Solar activities.

TI's experience with Spheral Solar technology dates back to 1985 and since that time their research in this field received only private funding which as amounted to in excess of \$40M. In addition, they are the assignee of about fifty inventions in this field, and they contend in Answer 5 that they may be the only entity currently conducting research and development in this field. TI's future plans in the area of Spheral Solar technology, as indicated in Answer 8, include an additional investment of \$25M in product development and \$30M in capital funds to commercialize the technology. In Answer 9, TI alleges that they currently own all of the intellectual property relevant to the field of Spheral Solar technology.

Although TI has a strong background position in Spherical Solar Technology, grant of this waiver should not have an adverse effect on competition and market concentration. As indicated in Answer 10, there are several other promising photovoltaic technologies in competition with Spherical Solar Technology. Also, any licensing of TI, as required by the standard DOE background provisions, can hasten use and promote competition which might not otherwise occur in the field.

In summary, TI will cost share at a rate of sixty-three point eight percent. Granting the waiver will improve TI's position in commercializing the developed technology and will encourage TI to increase their capital investment in this field. To promote U.S. Competitiveness, TI agreed to the attached U.S. Competitiveness provisions, subject to the approval of the requested waiver.


Upon evaluation of the Waiver Petition and in view of the objectives and considerations set forth in 41 CFR 9-9.109-6, all of which have been considered, it is recommended that the requested waiver be granted.


Bradley W. Smith, Sr. Patent Attorney
Office of Intellectual Property
Law Division

Date: 8/1/94


Based on the foregoing Statement of Considerations, the enclosed U.S. Competitiveness provision and the representations in the waiver request, it is determined that the interests of the United States and the general public will best be served by a waiver of the patent rights of the scope described above and therefore the waiver is granted. This waiver shall not apply to any modification or extension of this subcontract where through such modification or extension, the purpose, scope, or cost of the agreement is substantially altered.

CONCURRENCE:


Robert H. Annan, Director
Office of Solar Energy
Conversion

Date: 8/1/94

APPROVAL:


Robert Poteat, Acting Assistant
General Counsel for Technology Transfer
and Intellectual Property, HQ

Date: 9/28/94

U.S. COMPETITIVENESS CLAUSE

The subcontractor agrees that any products that it manufactures embodying any waived invention, or that it produces through the use of any waived invention, will be manufactured substantially in the United States for a period of 5 years from the completion date of the subcontract, or until the start-up of commercial production by the subcontractor (alone or in partnership with others) of a U.S. based commercial plant (annual rate PV module production of at least 3 Mwp) embodying such waived invention, whichever is earlier, unless it is not commercially feasible to do so, in which event, there will be a requirement that the Government's support of the waived invention will be recognized in some mutually agreeable and appropriate manner; i.e., recoupment of the Government's investment. The subcontractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements, PROVIDED, however, that, with DOE's prior approval, the foregoing provisions shall not be applicable to the sale by the subcontractor to a third party of the business or product line to which the waived inventions relate.